

complaint

Miss D complains that Provident Personal Credit Limited gave her a significant number of unaffordable loans. It didn't offer help when she had financial difficulties. She asks that it refunds interest and removes adverse information from her credit file. She also asks for compensation for embarrassment when Provident sent her mail to a neighbour.

background

Miss D says Provident gave her 16 loans in one year. She had a poor credit history and loans from payday lenders. Provident didn't ask for proof of income or do credit checks. She says repayments posted through her local representative's door weren't applied to her account. She wasn't offered help when in financial difficulties and had to propose a repayment plan.

The adjudicator didn't recommend that the complaint should be upheld. She said there wasn't any adverse information on Miss D's credit file when she took out the loans in late 2010 and 2011. She paid off the instalment loans, except one, without any deferrals, late payments or defaults. Provident hadn't pressured her to take out the loans and wasn't aware that she had financial difficulties.

Provident mis-addressed a letter, which was sent to Miss D's neighbour. It sent a final response and £50 compensation in 2013. As this was dealt with in 2013, we can't now look into it further.

Miss D didn't agree. She said Provident offered new loans every month or more. Her credit report would have shown her bankruptcy in 2009. She has £3,000 outstanding on two loans. Previous loans were repaid by taking out new loans. She missed payments and entered into a repayment arrangement in 2011. So Provident was aware of her financial difficulties.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Miss D took out a number of instalment loans from late 2010 to mid 2011. They required weekly repayments. It's difficult at this point to know what her credit report showed at that time – and Provident wasn't required to do a credit search. It did have to assess whether the loans were affordable.

Provident says it assessed affordability based on information provided by Miss D. It said she had sufficient disposable income to cover her repayments. I've seen Provident's records. Based on the information it had, I don't think it acted unreasonably when it assessed the loans as affordable. Miss D did appear to have enough disposable income to pay the weekly instalments.

The loan agreements set out their terms. I haven't seen anything to suggest Miss D was misled about the terms of the loans.

Most of the loans were repaid, sometimes from the proceeds of a new loan. Unfortunately, Miss D was unable to maintain payments for later loans and these fell into arrears. Provident says it's too long ago for its agents to recall what assistance was offered when Miss D said she had financial difficulties. It apologises if it wasn't sympathetic and helpful. It agreed to a repayment arrangement in late 2011 and its records suggest it corresponded with the debt advice service supporting Miss D. So it seems it did respond to Miss D's request for help with her financial difficulties by agreeing a repayment arrangement. If Miss D wasn't happy with its response, I would have expected her to raise this sooner.

The loans were sold to a different provider in 2014, so any concerns about the current arrangement should be directed to the new provider.

Provident sent a final response to Miss D's complaint about mail sent to her neighbour's address in 2013. Due to the amount of time passed since then, our rules don't allow me to look further into this issue.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 5 September 2016.

Ruth Stevenson
ombudsman